

Estimated Fiscal Impact of Bill #

HB 242

Date 1/21/2009

Short Title Kindergarten Amendments

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Short Form

Use only when there is no appropriation needed for state agencies, and no fiscal impact on state revenues, local governments, businesses, or individuals.

If the bill looks like it should have a fiscal note, explain why it does not. For example, a bill might put into code something that is already current practice.

Attachments welcome.

- ☒ State agencies will not require an appropriation to implement the bill.
- ☒ There is no fiscal impact on local governments.
- ☒ There is no fiscal impact on businesses.
- ☐ There is no fiscal impact on individuals.
- ☒ The bill will not affect revenues.

Explain why this bill has no fiscal impact.

A. What parts of the bill cause fiscal impact?

Cite specific sections or line numbers.

Line 59 changes the cut date of eligibility for enrollment in kindergarten from September 2 to July 1. As the bill takes effect on July 1, 2010, it therefore forbids children born between July 1 and August 31, 2005, from being enrolled in Fall 2010 (FY 2011).

B. Which program gets the appropriation?

PCA

(Approp. Unit Code)

Minimum School Prog

Line Item

Minimum School Program

Approp. Unit

Minimum School Program

(To appropriate to an additional program use an additional form.)

This is ____ of ____.

C. Work Notes: Assumptions, calculations & what are we buying?

Assume that a legislator calls you in to explain how you came up with your fiscal impact and these are the only notes you get to take with you.

List all costs. Identify one-time and ongoing costs. Detail FTE impacts.

Do not say, "\$50,000 in Current Expense." Be very specific about what \$50,000 will buy.

Attachments encouraged.

The change in date redefines the birth (B) cohort for the school year in question. Instead of the usual 12-month period (Sep 2004 through Aug 2005), it becomes a 10-month period (Sep 2004 through Jun 2005). The 2005 birth cohort of 50,908 will effectively be only 41,777 [UDOH]. With a historical B to kindergarten (K) transition rate of 95% [CDC], about 7,900 fewer children will enroll in K in Oct 2010 (FY 2011) than would have been expected. At the current (FY 2008) average K class size of 21, and ignoring the complication of the expansion of extended day K, which is funded through a separate OEK categorical program, this means that about 188 fewer K teachers will be needed in FY 2011. Finally, at the current (FY 2008) average total teacher compensation of about \$63,700 and WPU (FY 2009) of \$2,577, the K program will require almost \$29 million less in state funding than would have historically been expected in FY 2011 (\$12 m. for teachers plus \$16.7 m. for students.) This is a one-time savings, as there is no impact on FY 2010 (October 2009) and the flow of students from B to K returns to normal in FY 2012 (October 2011), although the B cohort will then be defined as July to June, rather than September to August. However, the dislocation of teachers will roll from one year to the next, as this smaller cohort of students moves through the system, first reducing and then restoring the demand for each subsequent grade of teachers. The cost of the change is deferred indefinitely into the future, but will have to be paid immediately in the form of financing a 14-month cohort, if the original date or definition is ever restored. See the Analysis tab for details.

Fiscal Impact Tables

Current Budget Year
FY 2009

Coming Budget Year
FY 2010

Future Budget Year
FY 2011

D. If this is a revenue bill, show impacts here. (Select funds from drop-down menu.)

Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

E. Show Costs to Implement the Bill by Fund (Select funds from drop-down menu.)

Uniform School Fund - One-Time	0	0	(\$28,700,000)
Total	<u>\$0</u>	<u>\$0</u>	<u>(\$28,700,000)</u>

F. Show Costs to Implement the Bill by Expense Category.

Personal Services			
Travel			
Current Expense			(\$28,700,000)
DP Current Expense			
DP Capital Outlay			
Capital Outlay			
Other/Pass Thru			
Total	<u>\$0</u>	<u>\$0</u>	<u>(\$28,700,000)</u>

G. How will the bill impact local governments?

Your estimate of the bill's impact on local governments.

Attachments welcome.

The "rolling" impact described above may create some administrative challenges for LEAs in managing their human resources.

H. How will the bill impact businesses?

Your estimate of the bill's impact on businesses.

Attachments welcome.

I. How will the bill impact individuals?

Your estimate of the bill's impact on individuals.

Attachments welcome.

Each year, for thirteen years, a few hundred teachers will be temporarily unemployed, or, in other words, a few hundred teaching positions will go temporarily unfilled. Several thousand parents may be inconvenienced by having to keep their children home another year in the 2010-11 school year contrary to their expectations.

This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.

LFA 11.20.08

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HB 242 (Kindergarten Eligibility Date Change): Analysis (1/21/2009)

<u>Description</u>			<u>Data Sources</u>
1 Births Sep 2004 - Aug 2005 to Kindergarten @ 95% transition rate	50,098	47,505	Utah Department of Health (births), Common Data Committee (transition rat
2 Births Sep 2004 - Jun 2005 to Kindergarten @ 95% Transition Rate	41,777	39,615	
3 Reduction in enrollment due to change in eligibility date		7,890	
4 Average K Class Size [FY 2008]		21	Superintendent's Annual Report
5 Implied FTE teachers (adjusted for K classes being offered twice a day)		188	
6 Average Teacher Compensation (Salary + Benefits) [FY 2008]		\$63,726	Superintendent's Annual Report
7 Savings due to reduced demand for labor		\$11,971,384	
8 Value of WPU [FY 2009]		\$2,577	Superintendent's Annual Report
9 Multiplied by 1.5 (rule of thumb estimate of state contribution via MSP)		\$3,866	
10 Reduced by .55 according to allocation formula weight for K		\$2,126	
11 Savings due to reduced demand for schooling		\$16,774,337	
12 Estimated total one-time savings		\$28,745,722	